

July 27, 2006

WRITTEN TESTIMONY  
Kansas Health Policy Authority Panel  
American Legion, Hays

Members of the Kansas Health Policy Authority,

In western Kansas, we are struggling against many of the same health care issues you've undoubtedly heard presented across the state. But in rural areas, these challenges are often more immediate and urgent in nature. And we have unique challenges, as well. Specifically, in a recent Kansas Hospital Association survey, northwest Kansans cited access to physicians as their greatest concern, ahead of rising health care costs and the growing number of uninsured. As the shortage of physicians grows across the country, efforts on the part of the policy authority to develop new programs with the University of Kansas School of Medicine, 'pushing' physicians into rural Kansas, could prove key to maintaining medical services in this region.

In that same KHA survey, a significant number of northwest Kansas respondents cited concerns about reduced hospital services and/or closure over the next 10 years. Rural hospital boards and administrators are clearly fighting an uphill battle. These hospitals are more heavily dependent upon government payers than in other areas of the state, with fewer major employers and commercially insured patients. As a result, changes in state employee health plan policies have a more dramatic and significant impact on our hospitals. I understand the desire to reduce health care expenditures for state employees, as my administrative team struggles with those same issues for our 1200 associates. But

please consider the impact of such changes on rural providers, with lower volumes and little ability to significantly reduce costs, when examining future proposals.

For example, the decision to carve-out laboratory services through a separate lab card has had unintended consequences in this area. Rural hospitals cannot begin to provide lab services at the very low rate LabOne offers under their state contract. Therefore most do not serve as contracting providers, forcing lab work to be shipped, potentially causing unnecessary delays. Physicians and patients are frustrated and rural hospitals have lost another revenue stream, ultimately impacting county tax-payers.

As the state prepares to release a second Request for Proposal to lab vendors soon, please consider exempting rural areas. This may have a small impact, in comparison to the savings generated by the large number of state employees in urban areas, but would provide measurable benefit to hospitals and physician clinics in rural Kansas. And such a change might allow lab vendors to reduce their negotiated cost per test, if they are able to avoid the added transport costs of serving the entire state.

While financial challenges abound in rural health care, a lack of professional personnel poses a potentially greater risk. Workforce shortages of all types are a reality in our hospitals and clinics today, and access to care is clearly impacted. State programs to expand the number of nursing educators, and therefore the number of trained nurses, are clearly needed. We are fortunate to have Fort Hays State University and Northwest Kansas Vocational/Technical School training nurses locally. Still, the number of new

nurses is not nearly enough to meet the needs of Hays Medical Center and the Critical Access Hospitals in this region. Not to mention the physician clinics, nursing homes, assisted living centers and home health agencies necessary to care for the growing number of elderly in this part of the state. We are not planning for the needs of the baby boom generation as they age – in northwest Kansas our ‘boom’ is right here and right now.

As the supporting hospital for 23 CAH facilities, Hays Medical Center is doing what it can to leverage our professional staff for the benefit of those partners. But distance is clearly a barrier. As workforce shortages become increasingly dramatic, policies that allow flexibility, while maintaining or improving patient care, must be adopted.

I hope to impress upon the policy authority the very real challenges faced by those of us working to maintain health care access in northwest Kansas. Our population is dispersed, increasing our costs. Our region is elderly, increasing the need. Our reimbursement is fixed, increasing the shortfall. Our resources are limited, decreasing our options. For these reasons, it’s imperative that our policy makers give special attention to rural Kansas, generally, and northwest Kansas, specifically.

Thank you,

John H. Jeter, MD, MHA, FACHE  
President and CEO  
Hays Medical Center